

MC READY JUNE 8, 2018

DIG DEEP GO PRO



MC***READY***

Going **PRO**

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TODAY'S AGENDA

- 1) THINGS IN PLAY
- 2) YOUR CERTIFICATIONS
- 3) TRANSITION TO OIL
- 4) PREVIOUS LECTURE REVIEW
- 5) TODAY'S LECTURE



THINGS IN PLAY

DIG DEEP



TOOLS



YOUR OIL?



MC READY TEAM & FAMILY DINNER?

TOP TEN STEPS

To get a job!





Lesson 4

Contractual Arrangements and Contract Agreement

TODAY'S BENCHMARK PROJECT





OBJECTIVES




 Upon completion of this lesson, you will be able to :

- Identify and explain the components of construction contract documents.
- Explore the various sections of the construction project manual.
- Explain what contract modifications are and how they affect the overall construction documents.

INTRODUCTION

- 
- The components of construction contract documents include:
- The agreement between the owner and contractor.
 - The general and supplementary conditions of the contract.
 - The working drawings.
 - The technical specifications.
 - Any addenda issued prior to the execution of the contract.
 - Any modifications issued after the contract has been executed.
- 

TECHNICAL SPECIFICATIONS

-  A description of the proposed work for bid compilation
-  Technical *rule book* during construction
-  Legal instrument that can be used in court

WORKING DRAWINGS



Two-dimensional graphic and pictorial portions of the contract document.

- Location
- Design
- Connections
- Materials
- Dimensions



DRAWING SEQUENCE

1. Site Plan
2. Architectural
3. Structural
4. Specialty Systems
 - MEP
 - Mechanical – HVAC
 - Electrical
 - Plumbing



ARCHITECTURAL DRAWINGS



Plan Views

- Horizontal section cut
- Top down/birds eye view



Elevation Views

- Front, Side and Rear of Building



Sectional Views

- Vertical construction details



Details

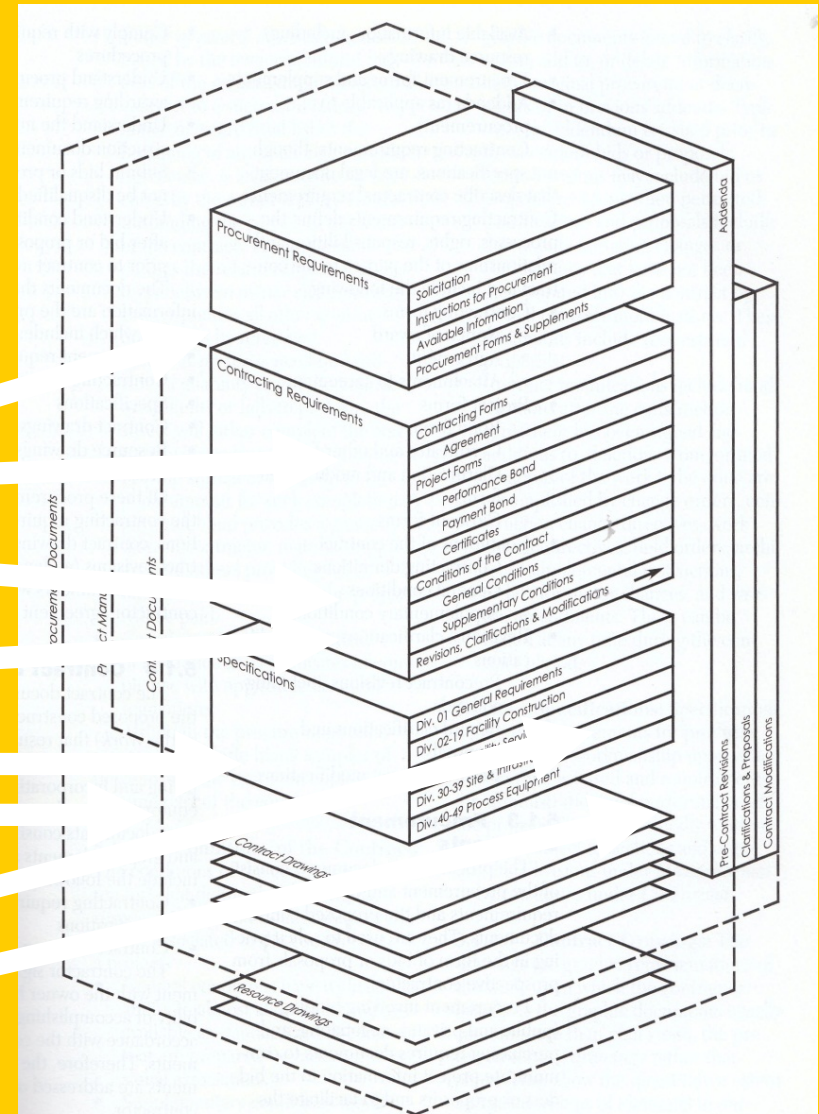


Schedules

Construction Contract Documents

- The components of the construction contract documents form a legal binding contract.

- Procurement documents
- Agreement
- General Conditions
- Supplementary Conditions
- Specifications
- Drawings
- Addenda/Alternates
- Modifications to the contract



PROJECT MANUAL


 Broken down into three major components.

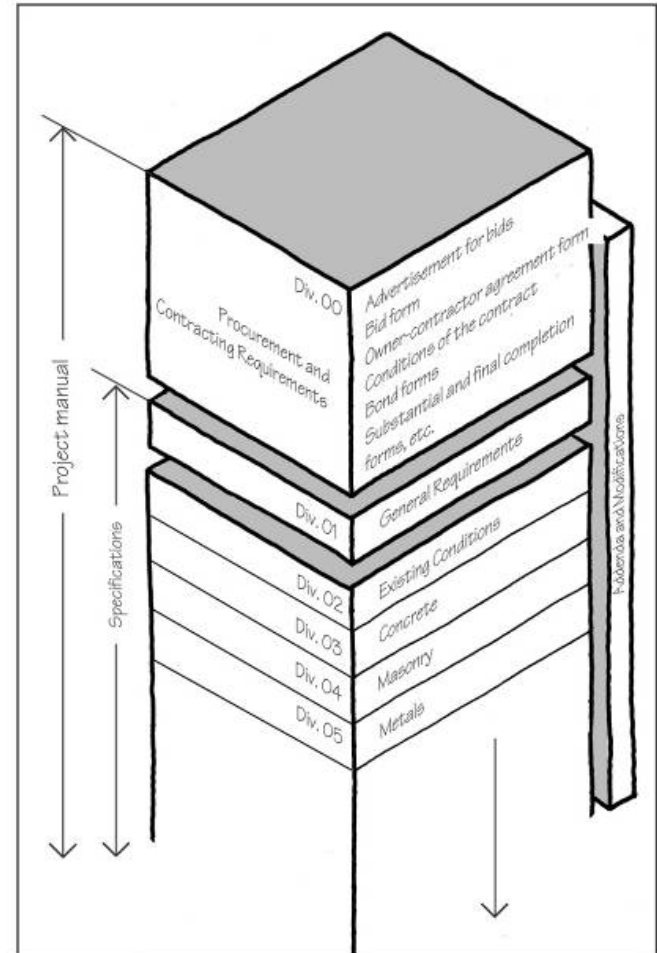
1. **Procurement Requirements**
2. **Contracting Requirements**
3. **Technical Specifications**

 Each component plays a specific part in the process of the construction project.


- The contractor is highly encouraged to review the project manual throughout the course of the entire construction project.

PROCUREMENT REQUIREMENTS

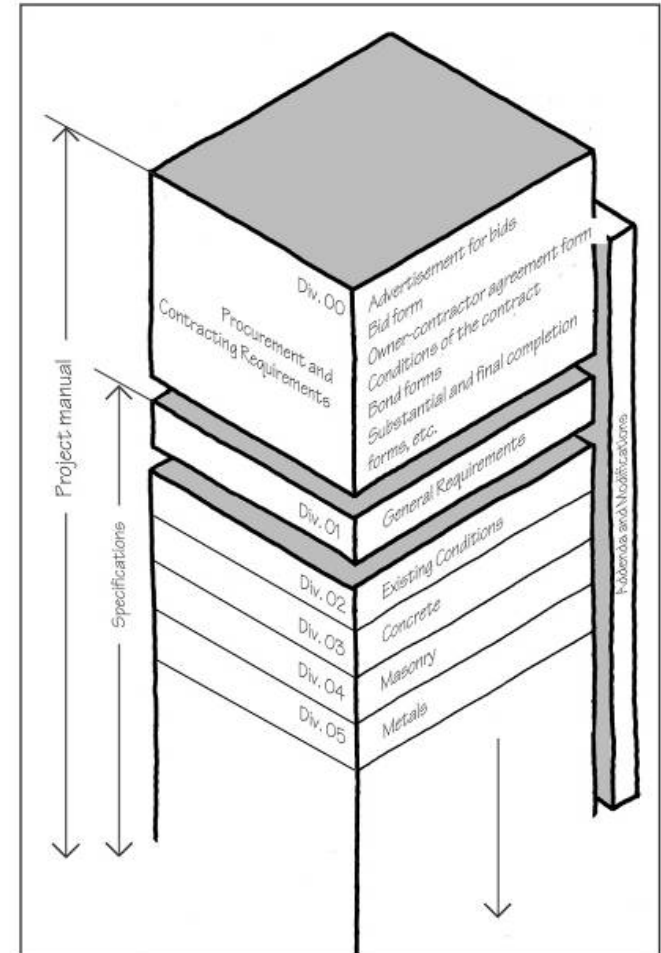
-  Contains the non-technical forms utilized during the bidding phase and includes the following documents.
- Invitation to Bid
 - Instructions for Bidders
 - Available Information
 - Procurement Forms and Supplements



CONTRACTING REQUIREMENTS

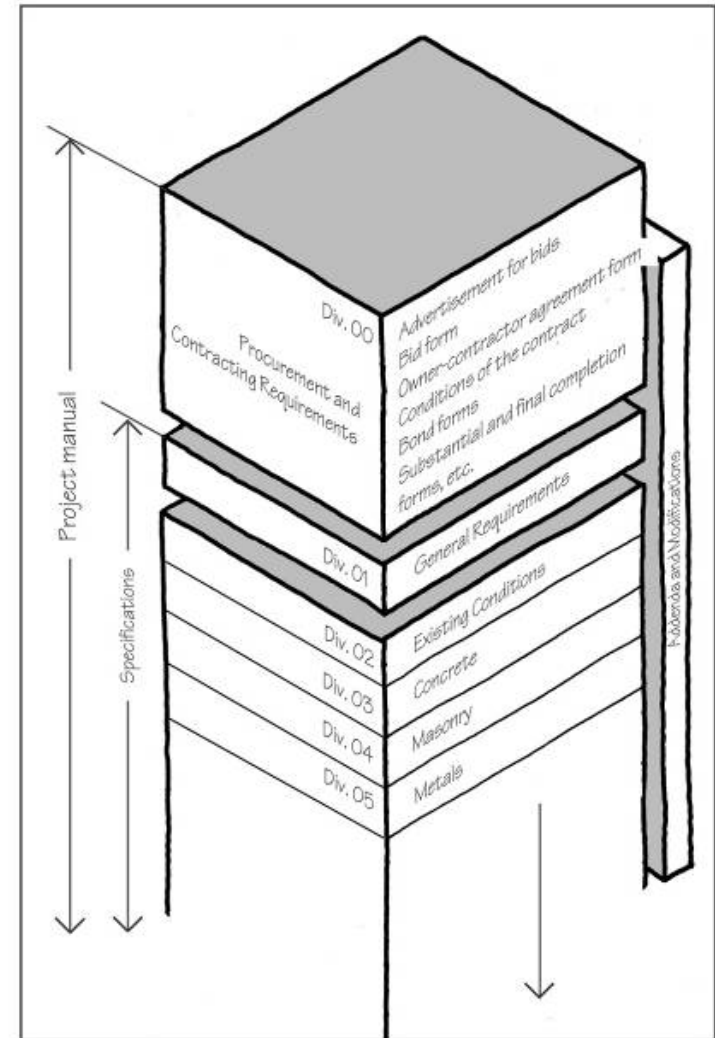
 Contain the more non-technical forms also such as:

- **Contracting Forms**
 - Agreement
- **Project Forms**
 - Performance Bond
 - Payment Bond
 - Certificates
- **Conditions of the Contract**
 - General Conditions
 - Supplementary Conditions
 - Revisions, Clarifications and Modifications



TECHNICAL SPECIFICATIONS

- The third component of project manual:
- CSI MasterFormat
 - **Divisions 02 thru 50**
 - Technical information of the materials to be utilized on the project.




MasterFormat

 Construction Standards Institute (CSI)

 <http://www.csinet.org/numbersandtitles>



BIDDING REQUIREMENTS

 In order for a contractor to successfully bid on a project, the contractor must understand the bidding requirements for the project.

- Information needed to prepare and submit a bid on the proposed scope of work on the project.
- The bidding process takes place before the contract is awarded to a contractor.

INVITATIONS TO BID



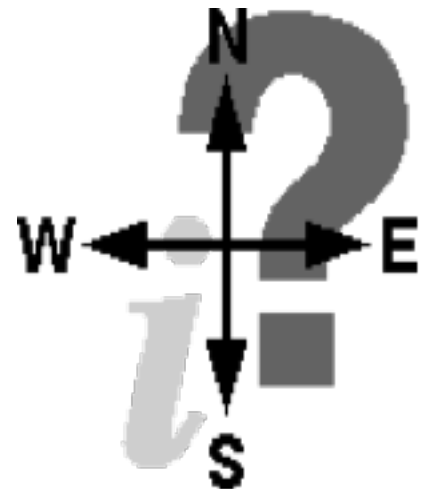
The usually includes the following information for the contractor:

- The name of the project owner.
- The location of the project.
- The date, time, location of the pre-bid conference.
- The name of the Design Professionals
- The bid proposal costs.
- The bid bond requirements.
- The applicable governing laws and regulations.
- The date, time and location of the bid opening.



VALID PROCEDURE

- All contractors bidding on a project must bid under the same conditions.
- The information that sets up the procedures for bidding are designated in the **Procurement Requirements** or commonly known as **Instructions for Bidders**.



PROCUREMENT REQUIREMENTS

- Include the following information for the contractor:
 - Advertisement for Bids/Invitation to Bid
 - Preliminary Schedules
 - Geotechnical Data
 - Existing Conditions Information
 - Bid forms



BIDDING REQUIREMENTS

- A **pre-bid meeting** or visit to the project site may be required to fully understand the scope of the work and if there are any questions the contractor can get them clarified at this time.
 - May be mandatory
- Along with the Instructions to Bidders the contractor must review the following documents to ensure they totally understand the scope of the project.



PROCUREMENT DOCUMENT REVIEW

- **General conditions** explain how the contract is to be implemented and regulate the obligations of the formal contracts and tend to be generic in nature.
- **Supplementary conditions are the special conditions and** activities that are used on the project in more specific terms.
- **Drawings and Technical Specifications** are the documents the contractor utilizes to actually construct the project with.



CHANGES IN SCOPE OF WORK

- **Addendums** are documents that alter the drawings and technical specifications BEFORE signing the contract.
- **Alternates** are conditions that MAY or MAY NOT be included in the final contract between the owner and the contractor.



BID SUBMITTAL

- 🌐 The **bid form** is the document that the contractor uses to submit the **bid price** on.
- 🌐 The bid form generally contains:
 - The **base bid amount**, which is the amount of money the contractor has estimated it will take to construct the project.
 - The **individual line item prices**, which is each individual trades estimate for their work.
 - **Alternates** are prices for designs, materials, etc. that may or may not be accepted into the overall project.

FOLLOW SUBMITTAL DIRECTIONS

- The contractor must complete the bid forms **exactly** as the instructions to bidders state – if they do not the bid may be **rejected!**



OWNER-CONTRACTOR AGREEMENT

- The Owner-Contractor contract agreement is a legal document that contains pertinent information about the project.
- Typically a standard form issued by AIA, AGC or EJCDC.

DRAFT AIA® Document A101™ – 2007

Standard Form of Agreement Between Owner and Contractor
where the basis of payment is a Stipulated Sum

AGREEMENT made as of the [] day of [] in the year []
(In words, indicate day, month and year)

BETWEEN the Owner:
(Name, address and other information)

and the Contractor:
(Name, address and other information)

for the following Project:
(Name, location, and detailed description)

Intro to gen cond

The Architect:
(Name, address and other information)

The Owner and Contractor agree as follows.

ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA® Standard form. An Additions and Deletions Report that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.
This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.
AIA Document A101™-2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

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TYPE OF INFO

- The date of the agreement
- The Owner's name
- The Contractor's name
- A description of the work to be performed
- The project cost
- A description of the Contractor's duties
- The procedures for receiving payment
- Conditions for the termination of the contract



STANDARD FORMS

- Most contracts between the Owner-Contractor are done by utilizing standard forms.
- These standard forms are developed and printed by:
 - AIA – American Institute of Architects
 - AGC – Associated General Contractors
 - EJCDC- Engineers Joint Contract Documents Committee
- Private companies and government agencies may have their own legal staff draw up the contract agreements instead of utilizing the standard forms.



GENERAL CONDITIONS

- Contain governing articles that identify the parties of the contract and their specific roles and responsibilities.



DRAFT AIA® Document A201™ – 2007

General Conditions of the Contract for Construction

for the following PROJECT:
(Name and location or address)
Intro to gen cond

THE OWNER:
(Name and address)

THE ARCHITECT:
(Name and address)

TABLE OF ARTICLES

- 1 GENERAL PROVISIONS
- 2 OWNER
- 3 CONTRACTOR
- 4 ARCHITECT
- 5 SUBCONTRACTORS
- 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS
- 7 CHANGES IN THE WORK
- 8 TIME
- 9 PAYMENTS AND COMPLETION
- 10 PROTECTION OF PERSONS AND PROPERTY
- 11 INSURANCE AND BONDS
- 12 UNCOVERING AND CORRECTION OF WORK
- 13 MISCELLANEOUS PROVISIONS
- 14 TERMINATION OR SUSPENSION OF THE CONTRACT
- 15 CLAIMS AND DISPUTES

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GENERAL CONDITIONS

- Items typically found in the general conditions are:
 - Definitions
 - Rights and responsibilities of the owner
 - Duties and authorities of the design professionals
 - Payment and completion of the project
 - Change in the work
 - Insurance and bonds
 - How to handle disputes
 - Termination of the contract if necessary



GENERAL CONDITIONS

- General Conditions are generic in the information they describe.
- To tend to be biased toward the owner.*



SUPPLEMENTARY CONDITIONS

- **Supplementary Conditions** are the **special conditions** and **activities** that are used on the project in more specific terms.
 - The supplementary conditions are modifications, changes additions or deletions to the general conditions.
 - They are not standard forms, but developed by the design professionals or owners to address specific information about the project.



INFORMATION INCLUDED

- Condition of the project location
- Work hours of the individual trades
- Special equipment purchased by the owner
- Unusual contract administrative requirements



MODIFICATIONS TO THE CONTRACTS

- There are two different types of modifications:
 - Addendums:
 - Are issued prior to the contract execution between the contractor and the owner.
 - The addendum becomes part of the contract documents upon execution of the contract between the contractor and owner.
 - Change Orders:
 - Are issued after the contract has been executed.





DISCREPANCIES

 Are not uncommon.




 The different types of discrepancies could be:

- Uncover errors in the drawings and specifications.
- Inconsistencies in the drawings and specifications.
- Missing information in the drawings and specifications
- Variance in site conditions.



CONTRACTOR'S RESPONSIBILITY

-  If inconsistencies are discovered, it is the responsibility of the contractor to bring those items to the attention of the design professionals so they can be addressed during the bidding period.
-  Design Professionals will address those inconsistencies and issue documents known as an **addendum**.



ADDENDUM PROTOCOL

-  Could contain drawings, sketches and even specification sections clarifying those inconsistencies.
-  Design Professionals must make sure everyone bidding on the project receives the addendum.
-  Anyone who might not receive the addendum may be at a disadvantage and have a bid missing information – thus their bid is not accurate.










Modifications to the Contract

- 
- A **Change Order** or **Bulletin** is issued after the contract has been established between the contractor and owner.
- Revisions to the existing drawings and specifications in the form of drawings, sketches and excerpts of the specification sections.
 - Must contain a document that indicates a cost change whether it is more, less or equal.
- 










MODIFICATIONS TO THE CONTRACT

-  An Alternate Bid Proposal is a stated amount of money that is added to or deleted from the base bid.
-  The alternated bid proposal may change the following if it is accepted:
 - Project scope
 - Materials
 - Construction methods
 - Schedule










CONSTRUCTION TERMS

-  Addendum/Addenda
-  AGC
-  AIA
-  Alternate bid proposal
-  Bid form
-  Bidding requirements
-  Change Order
-  Civil Drawings
-  Contour lines






CONSTRUCTION TERMS

-  Construction contract documents
-  CSI
-  Details
-  EJCDC
-  Elevation view
-  General conditions
-  GSA
-  Instructions to the bidder
-  Invitation for the construction bid

CONSTRUCTION TERMS

-  Masterformat
-  Modifications
-  Owner-contractor contract agreement
-  Plan view
-  Plot plan drawings
-  Revised drawing
-  Schedules
-  Sectional view
-  Site plan drawings

CONSTRUCTION TERMS

-  Specialty systems drawings
-  Structural drawings
-  Supplementary conditions
-  Technical specifications
-  Working drawings

QUESTIONS?





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